

AMENDED IN ASSEMBLY APRIL 4, 2011  
AMENDED IN ASSEMBLY MARCH 29, 2011  
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 654**

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**Introduced by Assembly Member Hueso**

February 16, 2011

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An act to amend Sections 50281, 50281.1, ~~and 50282~~ 50282, 50284, and 50287 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 654, as amended, Hueso. Local government: historical property.

(1) Existing law authorizes an owner of any qualified historical property, as defined, to contract with the legislative body of a city, county, or city and county, to restrict the use of the property in exchange for lowered assessment values. Existing law requires contracts under these provisions to include, among other things, where applicable, a provision for the periodic examination of the interior and exterior of the premises by the assessor, the Department of Parks and Recreation, and the State Board of Equalization whenever necessary.

This bill would instead require these contracts, where applicable, to include an inspection of the interior and exterior of the premises by the assessor prior to a new agreement, and every 5 years thereafter, and that periodic examinations may also be conducted by the Department of Parks and Recreation and the State Board of Equalization whenever necessary.

(2) Existing law authorizes the legislative body to, upon entering into a contract, require that the property owner, as a condition to entering

into the contract, pay a fee not to exceed the reasonable cost of administering this program.

This bill would require the legislative body to require the property owner, as a condition of entering into the contract, to pay a fee sufficient to cover, but not to exceed the reasonable cost of administering the contract program, and would specify that those costs include, but are not limited to, processing of designation requests, contracts, monitoring, inspections, and enforcement, as needed.

(3) Existing law specifies that the initial contract term is 10 years and provides that on the anniversary date of the contract, a year is automatically added to the initial term of the contract unless notice of nonrenewal is given, as specified.

This bill would also require each contract to provide that after 5 years, and every 5 years thereafter, the assessor shall conduct an inspection to determine the owner's continued compliance with the contract.

(4) *Existing law authorizes the legislative body to cancel a contract if the legislative body determines that the owner has breached any of the conditions of the contract or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property, and authorizes the legislative body to, as an alternative to canceling the contract, bring any action in court necessary to enforce a contract, including, but not limited to, an action to enforce the contract by specific performance or injunction.*

*This bill would require the legislative body to either cancel the contract or bring an action in court to enforce the contract, if the legislative body determines that the owner has breached any of the conditions of the contract or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 50281 of the Government Code is
- 2 amended to read:
- 3 50281. Any contract entered into under this article shall contain
- 4 the following provisions:
- 5 (a) The term of the contract shall be for a minimum period of
- 6 10 years.

1 (b) Where applicable, the contract shall provide the following:

2 (1) For the preservation of the qualified historical property and,  
3 when necessary, to restore and rehabilitate the property to conform  
4 to the rules and regulations of the Office of Historic Preservation  
5 of the Department of Parks and Recreation, the United States  
6 Secretary of the Interior's Standards for Rehabilitation, and the  
7 State Historical Building Code.

8 (2) For an inspection of the interior and exterior of the premises  
9 by the assessor prior to a new agreement, and every five years  
10 thereafter, to determine the owner's compliance with the contract,  
11 and that periodic examinations may also be conducted by the  
12 Department of Parks and Recreation and the State Board of  
13 Equalization as may be necessary.

14 (3) For it to be binding upon, and inure to the benefit of, all  
15 successors in interest of the owner. A successor in interest shall  
16 have the same rights and obligations under the contract as the  
17 original owner who entered into the contract.

18 (c) The owner or agent of an owner shall provide written notice  
19 of the contract to the Office of Historic Preservation and record  
20 the contract with the county in which the property is located within  
21 six months of entering into the contract.

22 SEC. 2. Section 50281.1 of the Government Code is amended  
23 to read:

24 50281.1. The legislative body entering into a contract described  
25 in this article shall require that the property owner, as a condition  
26 to entering into the contract, pay a fee sufficient to cover but not  
27 to exceed the reasonable cost of administering this program,  
28 including, but not limited to, the processing of designation requests,  
29 contracts, monitoring, inspections, and enforcement, as needed.

30 SEC. 3. Section 50282 of the Government Code is amended  
31 to read:

32 50282. (a) Each contract shall provide that on the anniversary  
33 date of the contract or such other annual date as is specified in the  
34 contract, a year shall be added automatically to the initial term of  
35 the contract unless notice of nonrenewal is given as provided in  
36 this section. Each contract shall also provide that after five years,  
37 and every five years thereafter, the assessor shall conduct an  
38 inspection to determine the owner's continued compliance with  
39 the contract. If the property owner or the legislative body desires  
40 in any year not to renew the contract, that party shall serve written

1 notice of nonrenewal of the contract on the other party in advance  
2 of the annual renewal date of the contract. Unless the notice is  
3 served by the owner at least 90 days prior to the renewal date or  
4 by the legislative body at least 60 days prior to the renewal date,  
5 one year shall automatically be added to the term of the contract.

6 (b) Upon receipt by the owner of a notice from the legislative  
7 body of nonrenewal, the owner may make a written protest of the  
8 notice of nonrenewal. The legislative body may, at any time prior  
9 to the renewal date, withdraw the notice of nonrenewal.

10 (c) If the legislative body or the owner serves notice of intent  
11 in any year not to renew the contract, the existing contract shall  
12 remain in effect for the balance of the period remaining since the  
13 original execution or the last renewal of the contract, as the case  
14 may be.

15 (d) The owner shall furnish the legislative body with any  
16 information the legislative body shall require in order to enable it  
17 to determine the eligibility of the property involved.

18 (e) No later than 20 days after a city or county enters into a  
19 contract with an owner pursuant to this article, the clerk of the  
20 legislative body shall record with the county recorder a copy of  
21 the contract, which shall describe the property subject thereto.  
22 From and after the time of the recordation, this contract shall impart  
23 a notice thereof to all persons as is afforded by the recording laws  
24 of this state.

25 *SEC. 4. Section 50284 of the Government Code is amended to*  
26 *read:*

27 ~~50284. The~~ (a) ~~If the legislative body may cancel a contract~~  
28 ~~if it determines that the owner has breached any of the conditions~~  
29 ~~of the contract provided for in this article or has allowed the~~  
30 ~~property to deteriorate to the point that it no longer meets the~~  
31 ~~standards for a qualified historical property. The, the legislative~~  
32 ~~body shall do one of the following:~~

33 (1) *Cancel the contract by following the procedures specified*  
34 *in Sections 50285 and 50286.*

35 (2) *Bring any action in court necessary to enforce a contract,*  
36 *including, but not limited to, an action to enforce the contract by*  
37 *specific performance or injunction.*

38 (b) *The legislative body may also cancel a contract if it*  
39 *determines that the owner has failed to restore or rehabilitate the*  
40 *property in the manner specified in the contract.*

1     *SEC. 5. Section 50287 of the Government Code is amended to*  
2     *read:*  
3     50287. As an alternative to cancellation of the contract for  
4     breach of any condition, ~~the county, city, or any~~ *a landowner that*  
5     *is party to the contract* may bring any action in court necessary to  
6     enforce a contract including, but not limited to, an action to enforce  
7     the contract by specific performance or injunction.

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